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ABSTRACT

Homelessness among families is quickly reaching crisis proportions across the country. Over 30 percent of America's three million homeless people are members of families, and families are the fastest growing segment of the homeless population. Perhaps more disturbing, homelessness represents only the most extreme manifestation of a more generalized, and growing poverty among families. For each homeless family, many more families are living at the edge of homelessness. Yet while both homelessness and poverty among families continue to increase, programs designed to assist those families have been cut back. The Federal Aid to Families with Dependent Children (AFDC) program is now grossly deficient in providing even basic survival resources for poor families. This report surveys the situation of the homeless in 25 cities. It makes the following findings: (1) between 1970 and 1987, the average value of AFDC benefits fell by 35 percent, to only 44.2 percent of the federal poverty level; (2) in 41 states, the combined value of AFDC and Food Stamps is less than 75 percent of the poverty level; (3) since 1981, federal housing programs for the poor have been cut by 76 percent; (4) in all but seven states, the shelter portion of the AFDC is less than 50 percent of the federally defined "fair market rent"; and (5) nearly two-thirds of AFDC families spend 50 percent or more of their income on housing. Recommendations are offered. Data are illustrated on three charts. Footnotes are included. (BJV)

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OVER THE EDGE:
Homeless Families and the Welfare System

The National Coalition for the Homeless
July 1988

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Forward

The past twelve months have witnessed an unusually prolonged and broad-based inquiry into the national welfare system for poor families. The attendant congressional hearings, studies and statements by public officials have led to what is now termed a "national consensus" that "reform" of that system --the Aid to Families with Dependent Children ("AFDC") program -- is needed. Currently pending in Congress is legislation that, if enacted, should result in that reform. Yet while these actions give the impression of extensive and serious activity, in fact the current efforts at reform completely ignore the most basic issues.

The bills now pending -- S. 1511, sponsored by Senator Moynihan (D-NY) and H.R. 1720, sponsored by Representative Downey (D-NY) -- contain some meager elements of much needed change: Each would provide some funding for child care. Each would provide some skills training. Each would provide some benefits to two-parent families. The House bill -- though not the Senate bill -- would provide some federal incentive to states to raise the benefit level.

Yet overall, both House and Senate bills are woefully inadequate. The welfare system was intended to provide a "safety net" of support for poor children and their mothers. Yet benefit levels under the program are far below subsistence: the average benefit is less than 45% of the federal poverty line.

Despite all the talk of a "reform," this subversion of the program's basic purpose is nowhere addressed. Neither bill sets any federal minimum benefit level.

The following report, issued in the context of the debate on welfare reform, documents the role of inadequate AFDC benefits in causing homelessness.

Executive Summary

Homelessness among families is quickly reaching crisis proportions across the country. At a time when up to three million Americans are homeless, over 30% are families. While overall the numbers of homeless persons are increasing at a rate of 20% to 25% annually, families with children are the fast-growing segment of the homeless population.

Perhaps more disturbing, homelessness represents only the most extreme manifestation of a more generalized, and growing, poverty among families. For each family that actually reaches the streets or the shelter, many more are living on the edge of homelessness: doubled-, even tripled-up in makeshift living arrangements.

Yet while both homelessness and poverty among families continue to increase, programs designed to assist those families have been cut back. During a time of extraordinary public -- and political -- concern with the national welfare system and its "reform," basic issues are consistently obscured: without a substantial increase in benefit levels, our welfare system will continue to force American families and their children to live below subsistence levels. Ultimately, it will push them, in increasing numbers, over the edge and onto the streets.

The federal Aid to Families with Dependent Children (AFDC) program, the current focus of efforts at "reform", is now grossly deficient in providing even basic survival resources for poor families. In the past decade, cuts in the AFDC program have

~~families. In the past decade, cuts in the AFDC~~ program have knocked poor families way below the federal poverty line. At a time when federal funds for housing programs have been radically defunded, poorer families are literally being forced to choose between the basics: food and shelter. As a result, increasing numbers are slipping into homelessness.

This report documents the relationship between homelessness among families and inadequate AFDC levels. It makes the following findings:

Inadequate AFDC benefits and homelessness

* Between 1970 and 1987, the average value of AFDC benefits fell by 35%, to only 44.2% of the federal poverty level.

* In 41 states, the combined value of AFDC and Food Stamps is less than 75% of the poverty level.

* In over two-thirds of cities surveyed around the country, inadequate welfare benefits contribute to homelessness.

Inadequate "shelter allowances" and homelessness

* Since 1981, federal housing programs for the poor have been cut by 76%; while virtually all AFDC recipients are eligible for these programs, fewer than one fifth actually receive assistance.

* In all but seven states, the shelter portion of the AFDC grant is less than 50% of the federally defined "fair market rent."

* Nearly two-thirds of AFDC families spend 50% or more of their income on housing; in fifteen cities across the country, the total AFDC grant is smaller than the "fair market rent."

* In each of the twenty-five cities surveyed, doubling up is increasing; doubled-up families are at high risk of becoming homeless.

Any serious effort to "reform" the AFDC program must address the basic issue of grossly inadequate benefit levels. Current benefit levels, compared to federally defined poverty and needs levels, make a mockery of the concept of a "safety net" for America's poor families. When combined with the acute shortage of affordable housing, this inadequacy is a major cause of the drastic rise in homelessness among families. This report recommends:

* An increase in overall AFDC levels to at least the federal poverty level;

* An increase in the shelter allowance to at least the federally defined fair market rent;

* An increase in federally funded housing programs to at least 1981 levels.

INTRODUCTION

Today, in the richest country in the world, 13.6% of all Americans are poor.(1) More than 32 million U.S. citizens are living under the officially defined poverty level.(2) Over a ten-year period, 25% of all Americans will slip into poverty at one time or another.(3) Those hit hardest by poverty are children and youth: as the gap between the rich and poor increases, one in four American children is born into poverty.(4) In 1987, 13 million children were poor.(5)

While poverty, hunger and homelessness are widespread, Federal and state benefits to the poor -- and particularly to poor families -- have been decreasing steadily over the last decade. During this period, more Americans have become poor; those already poor are becoming poorer. Programs designed to help people out of poverty or ease the misery it causes have been

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1 See Committee on Ways and Means, U.S. House of Representatives, Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means, 1988 edition [hereinafter "Background Material"] at 712.

2 Id. at 713.

3 See Center on Budget and Policy Priorities, Smaller Slices of the Pie: The Growing Economic Vulnerability of Poor and Moderate Income Americans, 1985 [hereinafter "Smaller Slices"], at 17.

4 See Children's Defense Fund, A Children's Defense Budget, FY 1988: An Analysis of Our Nation's Investment in Children, 1988 ed. [hereinafter "CDF Budget"], at xi.

5 Id. at xiii.

cut or have failed to keep up with the cost of living. Especially hard hit were benefits under Aid to Families with Dependent Children (AFDC). Between 1970 and 1987, the average value of real benefits fell by 35%.(6) In only one state, Alaska, does the combined benefit level for AFDC and food stamps reach the poverty level.(7)

The stark disparity between need and actual assistance provided demonstrates a fundamental contradiction in public policy: the same government that sets the official threshold of minimally adequate subsistence -- the "poverty line" -- idly presides over a subsidy program that almost uniformly falls woefully short of the mark. Depending upon the state, citizens on AFDC are, in effect, expected to beg for their bread from every other to every fifth day of the month.

Large numbers of AFDC families thus find themselves faced with increasing hardship and declining assistance. As the scarcity of low-cost housing intensifies, many families dependent on AFDC for their survival are finding it impossible to meet even minimal shelter and food needs. Some turn to friends or family for additional assistance; others, having exhausted these resources, resort to seeking emergency food and shelter assistance. Only the latter are officially classified as "homeless," and their numbers are multiplying at a disturbing

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6 See Background Material at 415.

7 See Center for Budget and Policy Priorities, Holes in the Safety Nets: Poverty Programs and Policies in the States, 1988 [hereinafter "Safety Nets"] at 1.

rate. While the homeless population at large grows by approximately 25% yearly,(8) the number of families seeking shelter now accounts for 30-40% of the homeless population nationwide.(9) Similarly, an average 18% increase was reported in the demand for emergency food over last year in 24 of 25 cities surveyed by the U.S. Conference of Mayors.(10) In three-fourths of these cities, families comprise the largest segment of the homeless population.(11)

This report documents the link between the inadequacy of AFDC welfare benefits, the lack of affordable housing, and the dramatic surge in the numbers of families homeless in America. To be sure, it is difficult to determine the exact proportion of that population whose homelessness can be said to be the direct and immediate result of inadequate AFDC benefit levels. Shelter staff often do not inquire as to the reason why a family is homeless; if they do, they may not keep records. Nor is the "last straw" that pushed a family over the brink of homelessness always an accurate index of the whole sequence of displacement. But one thing is painfully obvious: AFDC benefits are, with one exception, nowhere adequate -- and in many cases are grossly

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8 See National Coalition for the Homeless, Pushed Out: America's Homeless, Thanksgiving 1987, 1987 [hereinafter "Pushed Out"] at ii.

9 Id.

10 See U.S. Conference of Mayors, The Continuing Growth of Hunger, Homelessness and Poverty in America's Cities: 1987 [hereinafter "Mayors 1987 Report"], at 7.

11 Id. at 21.

inadequate -- to meet the subsistence needs of poor families. So long as this reality exists, the number of poor Americans who, with their children, will be unable to make ends meet and will eventually join the ranks of the official "homeless," cannot fail to increase.(12)

AFDC BENEFITS: INADEQUATE TO MEET BASIC NEEDS

The Aid to Families with Dependent Children program, created in 1935, is a national assistance program that provides cash welfare payments for needy children and their mothers who have been deprived of parental support because a parent is absent, unemployed, incapacitated, or deceased.

Under this program, the federal government pays at least one-half of the cost of the AFDC program;(13) states, and in some cases localities, pay the rest. States define the "standard of need," set benefit levels, establish income and resources limits for recipients, and administer the program.(14) Federal law does not currently require states to adjust or even review their needs

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12 It must be noted here that there are thousands of families for whom it is only a matter of degree whether they are actually "homeless" -- i.e., residents of shelters. To assume that the living conditions of those not yet homeless but living in abject poverty are much higher than those of families in shelters is to ignore the reality that homelessness is often no more than an extreme manifestation of an enduring poverty.

13 The exact federal share varies among states, ranging from 50% to 79.65%, and is inversely related to state per capita income. See Background Material at 420.

14 Id. at 387.

standards or payment levels to inflation. Twenty-eight states also offer AFDC-UP: Federal cash supplements to children in 2-parent families who are needy because of the unemployment of one of their parents.

Most AFDC recipients are also eligible for other federal assistance programs. The food stamp program, which operates in all 50 states and the District of Columbia, aids 80.3% of all AFDC recipients.(15) Funding for the program is provided solely by the federal government.(16) Under law, states must provide federally-funded medical care under the Medicaid program to AFDC families;(17) 95.2% of AFDC recipients actually receive Medicaid.(18) Although these programs are designed to aid the needy, even the aggregate assistance they provide is, with very few exceptions, woefully inadequate and does not succeed in raising poor families even to the poverty level.(19)

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15 Id. at 782.

16 Food stamp benefit levels are a function of household size, countable monthly income, the cost of purchasing food using the Department of Agriculture's "Thrifty Food Plan," and, in some cases, geographical location. Food stamp benefits are issued monthly. At the state and local levels, the food stamp program for most recipients is administered by the same welfare offices and personnel that administer cash assistance such as AFDC. Typically, households use their allotment in grocery stores that have been approved to accept food stamps.

17 See Background Material at 782.

18 Id. at 405.

19 The poverty level in 1986 was $11,203 for a family of four. If a family makes less than that amount, they are considered poor. In calculating a family's income, near-cash benefits, such as the value of food and housing benefits, are added to real income, and Federal and payroll income taxes are

Benefits under the AFDC program, which have been chronically low by any standard, have been cut back in the last decade. An administrative action in the early 1980s resulted in the reduction of benefits for several hundred thousand AFDC families.(20) In addition, the benefits of millions of AFDC recipients are unofficially reduced each year owing simply to the states' failure to adjust payments to keep pace with inflation. For example, in 1973, AFDC yearly payments in Massachusetts amounted to 115% of the poverty level; four years later, they fell short of the line by 40%.(21) This kind of failure resulted in a median loss of benefits of 35% between 1970 and 1988.(22) Put differently, the average AFDC level fell from 53.1% of the poverty level in 1975 to only 44.2% of the poverty level in 1987.(23)

As a result of these reductions, combined benefit levels -- with the exception of Alaska -- fail to approach the poverty level.(24) Despite increases in Food Stamps benefits over the

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subtracted.

20 See Smaller Slices at 22.

21 Telephone interview with Katherine Mainzer, Massachusetts Citizen Action, January 28, 1988.

22 Id. at 415.

23 See Center on Social Welfare Policy and Law, Analysis of 1987 Benefit Levels in the Program of Aid to Families with Dependent Children, 1987 [hereinafter "1987 AFDC Analysis"] at 2.

24 In the majority of states, combined AFDC and food stamp benefits for a family of 4 were less than 25% of the state's median income for a family of four. See 1987 AFDC Analysis at 1.

last dozen years designed to offset partly losses in AFDC aid,(25) poor Americans nonetheless felt the effects of a 19% decrease in combined AFDC and Food Stamp amounts between 1976 and 1987.(26) As a result, in 41 states, the combined value of AFDC and Food Stamps falls short of 75% of the poverty level.(27)

Chart 1 below compares the combined Food Stamp and AFDC benefit level for a family of 3 to the federal poverty level in the 50 states and the District of Columbia.

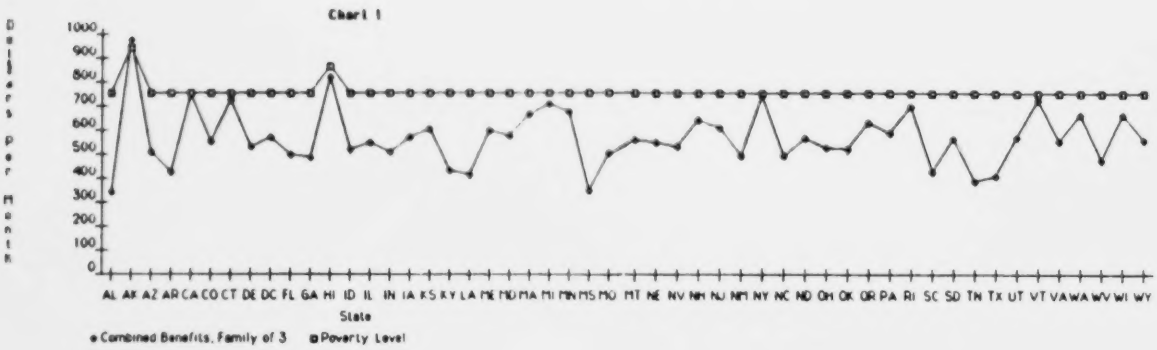
Chart 1
Dollars per Month
1000
900
800
700
600
500
400
300
200
100
0
AL AK AZ AR CA CO CT DE DC FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WV WI WY
State
Combined Benefits, Family of 3
Poverty Level

(source: Background Material at 408--10.)

Benefit levels in the Southern states tend to be much lower than the national average. For example, in Alabama, AFDC and food stamps benefits for family of three only reaches 42.8% of the poverty level. Id. at Table 1.

25 See Background Material at 415.
Food stamps make up a large percentage of the combined AFDC and food stamp benefits in the lowest benefit states, leaving families with minimal amounts to meet needs other than food. See 1987 AFDC Analysis at 2-3.

26 Id.

27 Id. at 1.

Not only is the AFDC grant inadequate, but the very measure against which it is calculated -- the "standard of need" -- is faulty. The "standard of need" is a figure calculated by the states that theoretically represents the dollar amount a family requires to maintain a minimum standard of living. In fact, this is a misleading index on several counts. First, its set value is consistently undercomputed. As of July 1987, all but four states set the need standard for an AFDC family of three at less than the 1986 federal poverty line.(28) Since Federal law does not require states to adjust their need standards to inflation, years can pass before a state decides to revise its needs standards.(29) Moreover, many states have intentionally

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28 See Children's Defense Budget at 91.
Kafka's prints are everywhere apparent in the rules and regulations of public assistance: despite the fact that as a rule standards of need are set low, 33 states have set AFDC benefit levels lower than their own "needs standard." See 1987 AFDC Analysis at 1. In six states, the combined value of AFDC and Food Stamps is 50% or less of the need standard. See S. Newman & A. Schnare, Reassessing Shelter Assistance in America, Volumes 1 & 2, 1987 [hereinafter "Reassessing Shelter Assistance"], at 22.

29 In several states, legal action has been brought to raise the needs standard to the poverty level. Plaintiffs in Massachusetts Coalition for the Homeless et al. v. Michael S. Dukakis et al., 400 Mass. 806, 511 N.E. 2d 603 (1987), argued that the Department of Public Welfare was statutorily obliged to increase AFDC benefit levels. The Massachusetts Supreme Court ruled that it was the responsibility of the agency to establish an assistance standard that reflected an adequate cost of living.
In New Jersey, advocates challenged the Commissioner of the Department of Human Services for failing to establish appropriate standards of need. In the case, In re Petitions for Rulemaking, N.J. Sup. Ct. A-157-86T8, the court ruled that the DHS had to establish "...a standard of need based upon timely information as to the actual cost of living essentials in the State."

AFDC level.(30) Finally, the state-wide needs standard is wholly inadequate for those living in urban areas, where the cost of living tends to be much higher.

Typically, it is only when AFDC families find themselves unable to stretch their grant to cover food, rent, transportation, and clothing costs, and are forced, finally, to seek emergency shelter, that the connection between the inadequacy of the grant and homelessness becomes obvious. Half of the cities surveyed by the U.S. Conference of Mayors cited low AFDC benefit levels as a cause of hunger;(31) similarly, officials in over two-thirds of these cities list inadequate benefits and problems with the welfare bureaucracy as contributing to homelessness.(32) Officials in Louisville assert, "The bottom line is that unless these single parent families(33) receive other subsidies, such as housing, they cannot make it."(34) Trenton officials agree: "The cost of basic needs continues to increase while income remains

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30 Twenty-one states (roughly 41%) provide assistance payments to eligible households at 100% of the state's needs standard. See Reassessing Shelter Assistance at 13.

31 See Mayors 1987 Report at 15.

32 See U.S. Conference of Mayors, A Status Report on Homeless Families in America's Cities, 1987 [hereinafter "Homeless Families"] at 21.

33 91.2% of AFDC families are headed by single mothers. See Background Materials at 431.

34 See Homeless Families at 21.

stable."(35)

Similar conclusions are drawn by shelter providers and advocates interviewed nationwide.

> Connie Driscoll of the St. Martin DePorres Shelter in Chicago, where 99.5% of the clients of the shelter are on AFDC when they arrive, said quite simply, "The public aid grant isn't enough."(36)

> The Atlanta Task Force for the Homeless found that 64% of women with children in Atlanta's night shelters receive AFDC;(37) the combined costs of child care and rent alone in Atlanta exceed benefit levels for single mothers on AFDC.(38)

> Nancy Berlin of the House of Ruth in Los Angeles reported that many of the families arriving at the shelter were already receiving AFDC, whereas in the past, the families would only apply for the program after arriving at the shelter.(39)

The wholesale decline in AFDC benefit levels is compounded by cutbacks in other federal programs for the poor. But it is the critical shortage of low-cost housing that makes the difference between chronic hardship and outright homelessness. As affordable housing becomes scarcer, AFDC families are forced to pay ever higher proportions of their income for poor quality, overcrowded housing.

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35 See Mayors 1987 Report at 18.

36 Telephone interview, Connie Driscoll, St. Martin de Porres Shelter, January 22, 1988.

37 See Atlanta Task Force on the Homeless, Homelessness in Metro Atlanta: A Working Paper and Recommendations, 1987 [hereinafter "Atlanta Report"] at 37.

38 Id.

39 Telephone interview, Nancy Berlin, House of Ruth, February 3, 1988.

HOUSING ALLOWANCES UNDER AFDC ARE INSUFFICIENT

As the real value of AFDC has declined, the cost of basic necessities has increased. This is particularly true of housing costs. Prices in the private market have escalated dramatically: between 1970 and 1980, median rent rose 192%. At the same time, the Federal housing budget for programs designed to help poor people has been slashed. Now, only one-third of all eligible American households receive any kind of housing assistance.(40) Since 1981, the combined budget for the Section 8 and Public Housing programs has been cut 76% -- from $32 billion to $7.12 billion in 1987.(41)

The effects of the housing shortage are felt by all poor families.(42) But the 3.8 million families on AFDC -- 11.1 million individuals -- have been especially hard hit by the deficiencies in the federal assistance programs: fewer than a fifth (18.7%) of all AFDC recipients are in public housing or receive a HUD Section 8 subsidy.(43) Although virtually all AFDC

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40 See Background Material at 826.

41 See Pushed Out at 80.

42 While median rent rose 192% between 1970 and 1980, renters' median income rose by only 100%. See US Department of Commerce, Bureau of the Census, American Housing Survey 1983, 1984 [hereinafter "American Housing Survey"], Part C, cited in Institute for Policy Studies, A Progressive Housing Program for America, 1987.

43 See Background Material at 446.

recipients are eligible for federal housing assistance, nearly two-thirds have no choice but to be badly handicapped players in the private housing market.(44)

States apply one of two approaches to the treatment of shelter allowances under AFDC. Seven states set explicit dollar maximums as their estimates of what shelter actually costs in their jurisdiction ("shelter need") and explicit dollar maximums for the shelter grant the recipient actually receives ("shelter payment"). If the family's rent is greater than this payment, it must pay the difference out of the remainder of the AFDC grant -- thus reducing resources for food, clothing and other needs. If the family's rent is lower than this amount, only actual rent costs are reimbursed.(45)

Most states do not make explicit shelter grants; recipients receive consolidated payments with no specific fraction set aside for rent.(46) However, it is possible to estimate the portion of the AFDC grant devoted to shelter.(47) Not surprisingly, the AFDC shelter allowance -- whether set explicitly in the case of seven states or derived from other data -- often bears little

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44 Id.

45 See Reassessing Shelter Assistance at 12.

46 Id..

47 For example, one can compare the different needs standard and benefit levels for AFDC recipients with a housing need and without a housing need (e.g., individuals who live rent-free with another household). The shelter allowance can be estimated as the difference between the two allotments. Id. at 13.

relation to actual housing costs, and families may find it close to impossible to secure housing affordable under the AFDC budget.(48)

Most (68%) AFDC families live in urban areas where housing costs are higher;(49) for these families, the shelter need allotment is even more inadequate. The Department of Housing and Urban Development (HUD)'s Fair Market Rent (FMR) figures for major metropolitan areas give a sense of the true shelter burden borne by welfare families.(50) These HUD figures for rent costs are higher --and more realistic -- than state-wide shelter allowances and, when compared to the AFDC grant as a whole, help to reveal its gross inadequacy: In all but seven states, the shelter portion of the AFDC grant is less than 50% of the Fair Market Rent.(51)

Chart 2 below illustrates the large discrepancies between the state shelter allowance and Fair Market Rents.(52) In seven

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48 Twenty-two states fund their total shelter need standards; id. at 22. This does not mean that these states are more generous. Instead, it reflects the uselessness of the shelter need as a meaningful measure.

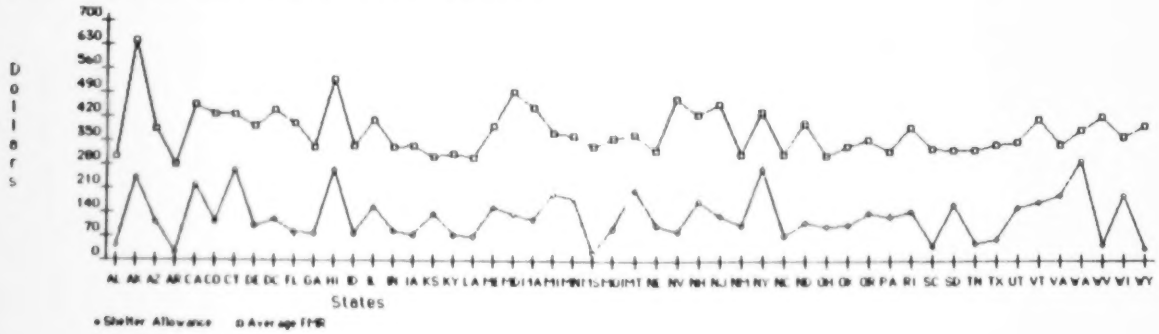
49 See Reassessing Shelter Assistance at 68.

50 HUD establishes a Fair Market Rent for Standard Metropolitan Statistical Areas and non-urban counties in the U.S. The FMR represents the 45th percentile of housing, meaning that 45% should be cheaper and 55% should be more expensive. The figure should thus reflect the cost of a standard rental unit in each jurisdiction.

51 See Reassessing Shelter Assistance at 4.

52 The Fair Market Rent figure that appears in Chart 2 is an average of high and low FMRs for each state.

states, shelter allowances under the AFDC grant are 20% or less of the lowest FMR for the area.(53) Only the state of Washington funds shelter payments that are virtually the same as the lowest FMR in the state.(54)



[source: Reassessing Shelter Assistance table 2.2]

Low benefit levels and high rents mean that AFDC families pay disproportionate amounts of their income for housing. Although as a general rule, 30% of income should go toward meeting housing costs, welfare regulations apparently take shape in chambers sealed off from such troublesome guidelines. Nearly two-thirds of AFDC recipients spend 50% or more of their income on housing.(55) This is a higher proportion of income for housing than any other group of welfare beneficiaries.

The fact that welfare families pay higher proportions of their income for housing means that they have less money left for other needs. Chart 3 shows the combined benefit level of AFDC

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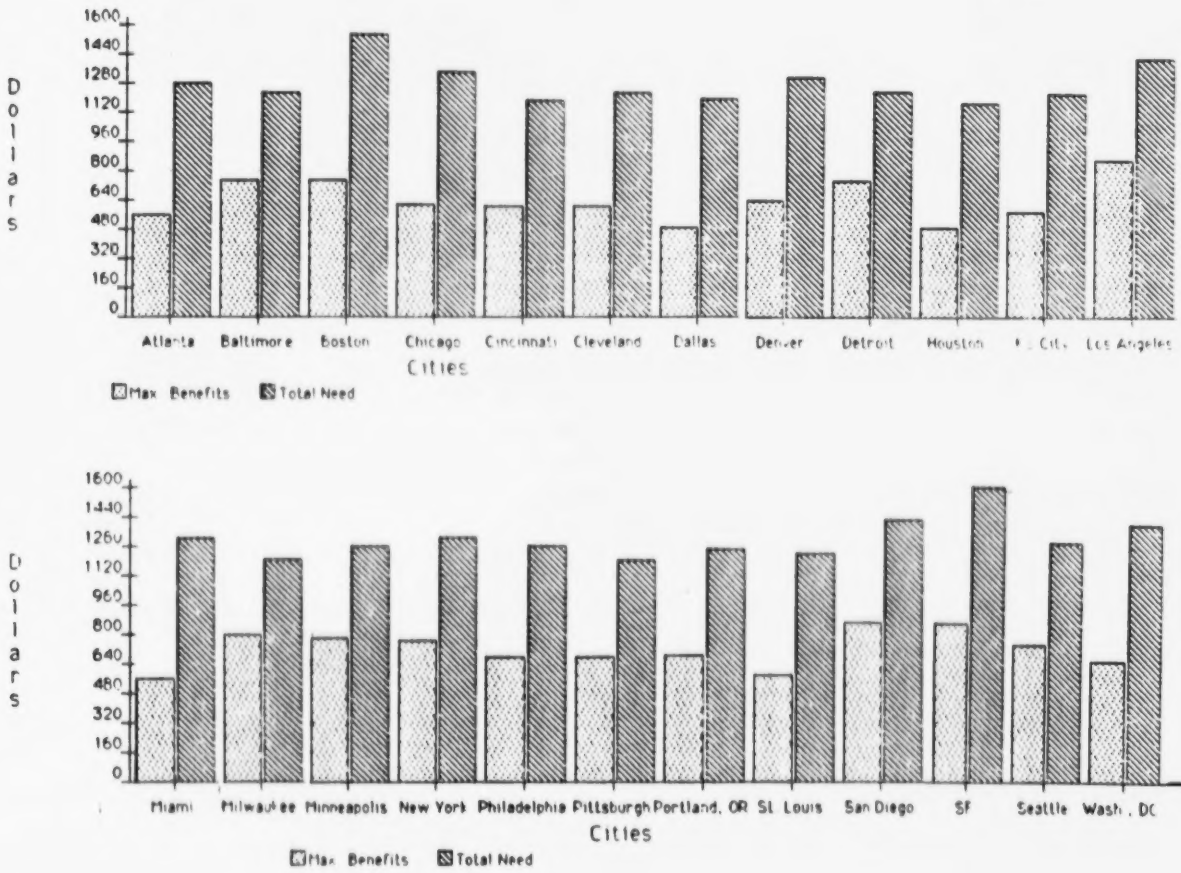
53 These states are Alabama, Arkansas, Mississippi, Nevada, South Carolina, Tennessee and West Virginia. Id. at 22.

54 Id.

55 Id. at 90.

and food stamps compared to a total need standard (incorporating FMR figures) for 23 cities.(56) In 15 locations across the United States, the <u>total</u> AFDC grant for four persons is smaller than the <u>lowest</u> FMR for the area.(57)



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56 This figure includes estimated living costs, according to the Urban Family Budget, plus HUD Fair Market Rents. The Urban Family Budget was published by the Bureau of Labor Statistics until Autumn 1981; budget figures include all consumption items except housing and medical care. We have used the Consumer Price Index for all urban consumers (CPI-U) to update 1981 figures -- for all items less shelter -- to 1987 amounts.

57 <u>See</u> Reassessing Shelter Assistance at 14.

Government officials and shelter providers around the country are quick to recognize that inadequate shelter allowances contribute to hunger and homelessness.

> Glory Kerstein of the Red Cross in New York, NY, says tersely, "The most glaring problems with benefits is that they're insufficient to meet the rents."(58)
>
> Officials in San Francisco assert that "rents will continue to rise and benefit levels will not keep pace with those increases."(59)
>
> Ruth Schwartz of the Shelter Partnership in Los Angeles points out that the average 1-bedroom apartment in Los Angeles rents for $450 per month; the AFDC grant of $587 for a 3-person family is not sufficient to cover these costs.(60)
>
> In Massachusetts, the average AFDC recipient spends 70% or more of his or her grant on food and housing.(61)
>
> Louisville officials say that "unless these single parent families receive other subsidies, such as housing, they cannot make it."(62)
>
> Ann Moynihan of the Legal Aid Society's Homeless Family Rights Project in New York estimates that 70-80% of eviction cases handled by the Brooklyn office of Legal Aid are excess rent cases, where families simply do not have the money to pay their rent.(63) Since 1975, the maximum shelter allowance has risen only 43% while median rents have risen by 129% in the same time

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58 Telephone interview, Glory Kerstein, Red Cross, January 28, 1988.

59 See Mayors 1987 Report at 17.

60 Telephone interview, Ruth Schwartz, Shelter Partnership, February 3, 1988.

61 See Massachusetts Department of Public Welfare, Budget Narrative for FY 1987, at 96.

62 See Mayors 1987 Report at 18.

63 Telephone interview, Ann Moynihan, Homeless Family Rights Project, Legal Aid Society, February 19, 1988.

period.(64)

> In Saint Paul, Minnesota, a typical AFDC family will use 75-80% of its check and a special allotment for rent and deposit just to get an apartment; they are left with $20-$50 and food stamps until the end of the month.(65)

> Officials in Detroit report that "the average rent unit cost is $322 per month. The average rent for a typical 3-person AFDC case, however, is $194, and only $140 is covered by the allotment."(66)

As families are forced to pay more and more for housing, and federal assistance programs for the poor are cut back, their other needs -- utilities, health care, and most importantly, food -- must take a low priority. The fact that housing is an indivisible good and must be paid for in full each month means that often a family is forced to cut back on food, clothing and other needs, so as to devote most of its income to rent. In such a situation, any minor crisis or unexpected expense may determine whether the rent is going to be paid or not. When families don't pay rent, they risk eviction. Once evicted, they may turn to friends or family for temporary lodging. But once those resources are exhausted, they become homeless.

> Connie Driscoll of the St. Martin DePorres Shelter in Chicago reports that 63.4% of the clients at her family shelter have been evicted due to inability to pay rent.(67)

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64 Id.

65 See Homeless Families at 15.

66 Id.

67 Telephone interview, Connie Driscoll, St. Martin de Porres Shelter, January 22, 1988.

> Marina Metalios of the Homeless Family Rights Project in New York states, "Those people in shelters decided to put food on the table."(68)
>
> Governor Mario Cuomo of New York recognized that "rising housing costs could force over 60% of public assistance families in New York to choose between paying rent and buying other essential items such as food and clothing."(69)

As a general rule, families will do all in their power to hold onto housing, however mean or inadequate such quarters may be. In non-subsidized private housing, where regulation of living standards is especially lax, landlords can often get away with whatever standards of disrepair they choose. As a result, not only do poor families pay disproportionate amounts of their income for housing, they often do so in exchange for overcrowded dwellings with multiple safety and health violations. Because poor families have little choice, and less power to bring pressure to bear against irresponsible landlords, they are in effect forced to live in squalid conditions. Welfare families are no exception: 91% of AFDC households have at least one housing problem(70); 21% of them live in overcrowded dwellings;(71) and 25% occupy physically inadequate units.(72)

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68 Telephone interview, Marina Metalios, Homeless Family Rights Project, Legal Aid Society, February 4, 1988.

69 See State of New York, Annual Budget Message, at M11.

70 The three types of housing problems are: (1) affordability (i.e., the household pays more than 30 percent of its income on housing); (2) crowding (i.e., the dwelling has more than one person per room); and (3) physical condition (i.e., the dwelling is classified as "substandard." See Reassessing Shelter Assistance at 77.

71 Id. at 91.

In the South, half of those welfare recipients who receive no housing assistance reside in substandard housing.(73)

Families also court eviction by virtue of the coping strategies they adopt. For example, "doubling-up" -- the use of a housing unit by more than the legally designated number of individuals -- is resorted to as a makeshift by unknown thousands of Americans across the country. The 1983 American Housing Survey estimated that three million Americans live in overcrowded conditions; 700,000 of them are in conditions of extreme overcrowding.(74) When a family doubles up with another, it not only puts itself at risk of eviction as "secondary tenants," but also endangers the tenancy of the family that is illegally taking them in. Although illegal in public housing, doubling up continues to be practiced as the only viable alternative for thousands of poor families.

In large metropolitan areas where housing of any kind is hard to find, doubling up can reach crisis proportions. It has been estimated that in New York City, for example, 108,000 people are doubled up -- 35,000 in public housing, and 73,000 in private housing.(75) Glory Kerstein of the New York Red Cross Family Shelter reports that secondary (or even tertiary) tenant

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72 Id. at 92.

73 Id. at 84--85.

74 See Institute for Policy Studies, A Progressive Housing Program for America, 1987, at 11.

75 See V. Bach, Housing: Problem Analysis and Policy Directions, 1986 (Draft).

evictions make up 60% of evictions in the city of New York -- and eviction is the primary cause of homelessness.(76) New York City surveys of shelter residents found that 50-60% of families were doubled up before they arrived in the shelter.(77) Each year, there are 27,000 evictions yearly in that city.(78)

Officials and providers across the country report a troubling increase in the numbers of families who are forced to double up.

> Officials in twenty-five cities participating in a U.S. Conference of Mayors study all agreed that the number of doubled up households have increased; each city considered these families to be at high risk of becoming homeless in the near future.(79)
>
> In Detroit, shelters report that a major and increasing reason given for homelessness is eviction by relatives or friends.(80)
>
> Officials in Los Angeles state quite clearly that "doubling up ... can be a signal that a family is nearing homelessness."(81)
>
> In Washington D.C., officials state, "Because the overwhelming number of families who have entered our (shelter) system claim overcrowding as their reason for homelessness, we consider these families to be at very

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76 Telephone interview, Glory Kerstein, Red Cross, New York, February 1, 1988.

77 See Mayor's Advisory Task Force on the Homeless, "Toward a Comprehensive Policy on Homelessness," New York, 1987, at 45.

78 Telephone interview with Ann Moynihan, Homeless Family Rights Project, Legal Aid Society, February 11, 1988.

79 See Homeless Families at 5.

80 Id. at 2.

81 Id. at 6.

high risk."(82)

Particularly disturbing is the number of young families, effectively barred from ever entering an overpriced, overcrowded housing market, who double up for as long as the situation is tolerable, only in the end to wind up homeless. The Red Cross Family Shelter in New York found that 44% of the shelter users (the heads of household) had never had their own apartment and had been doubled up immediately prior to becoming homeless.

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82 Id.

THE CONNECTION BETWEEN HOMELESSNESS AND AFDC

As documented above, the AFDC grant is inadequate in general, and in particular it is grossly insufficient to meet housing costs. Nationwide, local governments and private charities -- those on the front lines of providing shelter to the homeless -- state that families are finding it more and more difficult to make ends meet, and are crossing over the gray line from substandard, overcrowded living arrangements to municipal shelters. And each year, homelessness continues to increase -- especially among families -- while at the same time, AFDC aid monies decrease.

Given these realities, why are not more AFDC families in America -- whose numbers now surpass 11 million individuals -- becoming homeless? Or, put bluntly: what is different about these families that they are "unable to cope" with the stresses and strains of an admittedly difficult life, when the vast majority of their companions on public assistance are somehow able to do so?(83)

The short answer to this line of inquiry is that the difference between these two groups is increasingly less

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83 See, e.g., "Who's Who Among the Homeless," The New Republic, June 6, 1988, at 18--20.

distinct.(84) "Homelessness" -- the status of the family who has declared itself in need of emergency shelter -- is only the extreme edge of a much more general species of hardship. Indeed, homelessness in its more generic sense -- the situation of those who lack consistent access to a secure residence of their own -- is clearly the lot of a growing proportion of the poor, only a relatively few of whom ever show up on the streets or in emergency shelter. What one group of researchers(85) has termed the "makeshift economies" of the urban poor refers to a host of subsistence activities, ranging from the shifting composition of the household to the varying income-producing activities of its members, that are increasingly resorted to in order to make ends meet. Chief among such coping devices is

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84 It should be noted that the term "homelessness" is itself misleading, if it is taken to mean a trait or characteristic of people, rather than a condition of varying duration and severity. In the sense used here, official homelessness (like a bout of illness or a spell of bad luck) may disrupt what are otherwise relatively stable lives; it may regularly interrupt lives that are precariously balanced at best; or, it may become a relatively lasting way of life itself. At the present stage of research, the relative proportions of these different patterns as they are represented in the officially homeless population at any one time are not known.

In addition, although the reasons for displacement are multiple, research is still unclear about the relative contributions of the factors known to cause homelessness. Obviously, the plight of the family that is chronically on the edge of displacement because of inadequate income is a very different phenomenon from that of the family made homeless by virtue of a fire or unexpected eviction notice. Clearly, then, if distinctions are to be drawn among sub-populations of the homeless, care must be taken to be sure that similar groups are compared.

85 See K. Hopper, E. Susser and S. Conover. "Economies of Makeshift: Deindustrialization and Homelessness in New York City." Urban Anthropology 14:183-236 (1986).

"doubling up" -- the unsanctioned use of a dwelling space for more than its legal occupants. By even the rough gauge of figures available, in places like New York, this phenomenon is at least twenty times as prevalent as official homelessness.

What this suggests is that "informal shelter" -- the shared space provided by family and friends on a (usually) temporary basis -- is by far the most prevalent "solution" to homelessness in the United States today.

The difference between those welfare families who become "homeless" and those who do not is simply stated: families who become homeless seem to have a less robust supply of the backup resources that would enable them to postpone -- or even avert -- resort to the street or to emergency shelter.(86)

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86 The longer answer to this complicated question must await a better understanding of: (a) how those sorely strapped families who avoid official homelessness manage to survive without such assistance; and (b) how those homeless families -- the majority in some areas -- who leave the emergency shelter system without a formal placement manage to shift for themselves and for how long.

HOMELESSNESS WILL CONTINUE TO INCREASE

The numbers of homeless Americans are increasing daily. There is no reason to believe that this trend will be reversed any time in the future. Providers and officials alike recognize the crisis in the housing market that is pushing parents and their children over the edge into homelessness. In the U.S. Conference of Mayors 1987 report, administrators in 9 out of 10 cities surveyed reported that they expect the number of homeless families to increase. The numbers merely echo what shelter providers see firsthand: "A lot of people are on the edge and are barely holding on. Some can't hold on much longer."(87)

RECOMMENDATIONS

No one can seriously dispute the complexity of the problem of homelessness, touching on it does on all the issues of poverty and public assistance. Any attempt at "reforming" the present welfare system must likewise negotiate an intricate web of social issues, involving questions of housing, minimum wage levels, job training,(88) and health care. These issues will

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87 Telephone interview, Ruth Schwartz, Shelter Partnership, February 3, 1988.

88 Between 20% and 30% of all homeless persons are employed, yet not earning enough money to pay the rent. See Pushed Out at iii. Countless others are seeking, but unable to find, work. Obviously any realistic attempt at "reform" must include an increase in wage levels as well as an attack on unemployment.

have to be addressed before the welfare system can truly be said to help children out of poverty, rather than, as Barbara Ehrenreich once remarked, to discipline their parents.

This is not to say, however, that more welfare families must continue to join the ranks of the homeless until far-reaching solutions are devised. In the interim, welfare families should not be penalized for the inadequacies of the system. Steps must be taken to keep AFDC families in their homes and out of the costly, inhumane, inadequate shelter system. From both an economic and a moral standpoint, it is more logical to keep families in their own permanent housing instead of housing them in overcrowded municipal shelters or exorbitantly expensive, rundown welfare hotels. The return on investing more federal or state money into providing adequate AFDC benefits would be evident in stronger families, better education for children, and deeper community ties.

Our recommendations for an immediate response to homelessness among welfare families are:

In the sphere of welfare:

- An increase in combined AFDC and food stamp levels at least to the federal poverty level;
- An increase in the shelter allowance to at least the Fair Market Rent as established by HUD;
- A federal regulation requiring states regularly to undertake comprehensive reviews of AFDC benefit levels;

In the sphere of housing:

- A federal commitment to the creation of new low-cost housing and to the maintenance of existing housing programs, both for public housing and subsidy programs;

- A federal commitment to ensure that all eligible AFDC families -- not just the current 18.7% -- have access to public or subsidized housing.

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